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E.O. 12958: DECL: 05/10/2026

TAGS: PREL KNNP ETRD EAGR ECON IR IZ KS CH KN JA
SUBJECT: S/P DIRECTOR KRASNER'S MAY 10 MEETING WITH
ASSISTANT CABINET SECRETARY ANDO

Classified By: Deputy Chief of Mission Joe Donovan. Reason: 1.4 (b)(d).

- 11. (C) Summary: During a May 10 meeting with S/P Director Krasner, Assistant Cabinet Secretary Ando:
- -- expressed interest in possible response scenarios to Iranian nuclear ambitions;
- -- asked about U.S. confidence in the new Iraqi government;
- -- sought confirmation of continued U.S. commitment to the Six-Party framework; and
- $\mbox{--}$ inquired about U.S. audit of affected beef slaughter facilities. End Summary.

Iran

¶2. (C) Assistant Cabinet Secretary Hiroyasu Ando opened his May 10 meeting by assuring S/P Director Stephen D. Krasner that Japan shares the international community's concerns regarding Iran's nuclear ambitions. Japan has encouraged Iran to emerge from isolation and yield to inspections, but there has been no response to these messages thus far, Ando observed. Referring to a statement by President Bush the previous day in which he had reiterated the U.S. commitment to diplomacy, Ando sought further information about the U.S. position on Iran. Krasner explained that the United States was committed to a diplomatic path at the Security Council and that the international community is in the early stages of diplomacy on the Iranian nuclear issue. Asked about the recent letter from Iranian President Ahmadinejad, S/P Director Krasner said he did not think it contained anything substantial. However, the decision to send it demonstrates the Iranian government is not completely indifferent to the situation at hand. In response to Ando's questions concerning possible economic sanctions, Krasner noted that sanctions would need to be credible to both the Iranians and the international community. He noted, for example, that targeting individual Iranian officials and their financial activities would impede Iran's ability to do business.

Iraq

13. (C) Japan was considering withdrawing its Self-Defense Force (SDF) mission from Iraq, Ando explained, adding that Japan had just sent its 10th contingent of SDF ground personnel and hoped they would be able to return soon. Looking to focus more on economic assistance to Iraq, Japan

has committed USD 5 billion, with USD 1.5 billion already spent, Ando explained. He related that a discussion of how Japan can best contribute to Iraqi reconstruction is taking place against the backdrop of an overall reassessment of Japan's official development assistance (ODA) goals and policies. Thus on May 8, Prime Minister Koizumi, Foreign Minister Aso, Finance Minister Tanigaki, Chief Cabinet Secretary Abe and Minister of Economy, Trade and Industry

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Nikai met in a new Cabinet sub-committee on ODA to discuss how to match ODA to strategic goals.

Japan-ROK Relations

14. (C) In response to Krasner's question about the possibility of overcoming tensions to enhance Japan-Korea-U.S. trilateral relations and policy coordination, Ando expressed his personal optimism. When Japan and the ROK normalized diplomatic relations 40 years ago, Ando observed, 10,000 Japanese and Koreans visited each other's countries annually for exchanges, but now the number is 10,000 per day. As Japan-Korea relations become economically interdependent and their cultures more intertwined, the bilateral relationship is growing "closer and closer and stronger and stronger." Ando argued that domestic political considerations in Korea are primarily to blame for the current political climate, noting that President Roh is taking a hard line on Japan to increase his declining popularity at home. Pressed whether a change in ROK government would change the tone of the relationship, Ando said he thought it "might be possible." He was quick to emphasize that, in spite of the territorial and historical

nces, the Korea-Japan economic, social and cultural relationship is quite "healthy."

China an Opportunity, Not a Threat

15. (C) The Koizumi administration does not see China as a threat to Japan, but an opportunity, Ando asserted, citing the fact that China is Japan's top trading partner and Japan's imports from China are second only to those from the United States. He noted Vice Minister Yachi's efforts at recent meetings in Beijing to set up a meeting between the two countries' foreign ministers, a positive step, given that the last minister-level meeting was more than a year ago. This ministerial would include discussion of East China Sea gas and would take place on May 22. There had been no Chinese preconditions for the meeting, Ando added. While Japan had suspended its yen loans to China, if all goes well during the May 22 meeting, Japan plans to resume the loans, Ando confided. According to Ando, domestic issues drive PRC attitudes toward Japan. By channeling Chinese nationalism against Japan, the Communist Party is able to maintain its grip on power. If China were to take a softer line toward Japan, it would jeopardize the communist regime by inflaming popular nationalism, Ando asserted. However, there is room for optimism; economic integration and regional organizations can serve to address and resolve the political problems of East Asia, "much like the European Union" has successfully settled past historical grievances.

Dialogue with and Pressure on the DPRK

16. (C) The basic bilateral Japanese policy toward the DPRK is to combine dialogue and pressure, Ando noted. Japan held its most recent bilateral dialogue with the DPRK in February but did not receive a serious response to its proposal. Japan will continue to pressure the DPRK on the abduction issue. In response to Ando's concern that the United States would abandon the Six-Party framework, Krasner assured him this was not the case.

Beef Questions

17. (C) In response to Ando's questions, the DCM related that the U.S. audits will conclude within the next couple of days. The DCM relayed his concern that the longer the GOJ drags this issue out, the harder it will be to convince the Japanese public of the safety of U.S. beef. Ando asserted that political pressure from the United States on reopening Japan's beef market was "not productive." The DCM urged Japan to send its auditing teams to the United States as soon as possible.

Participants

18. (U) Particpants in the meeting included:

United States

S/P Director Stephen D. Krasner Joe Donovan, Deputy Chief of Mission Evan Feigenbaum, S/P Staff Kate Szpila, notetaker David Wolff, control officer

Japan

Assistant Chief Cabinet Secretary Mitoji Ando Hideaki Adachi, Assistant Counsellor to Assistant Chief Cabinet Secretary Ando (notetaker)

19. (U) S/P Director Krasner cleared this message. SCHIEFFER